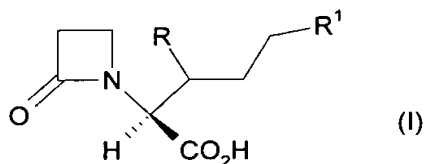


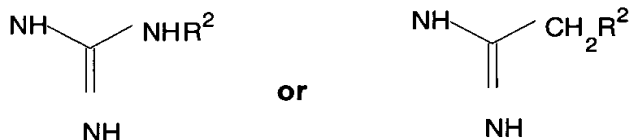
In the Claims:

Claims 1-14: Canceled

15. (Currently amended) A process for preparing compounds of formula (I)



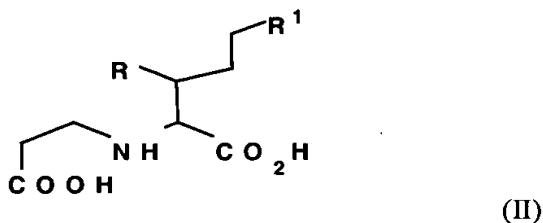
wherein R is H or OH and R¹ is



and where R² = H or C₁₋₆ alkyl

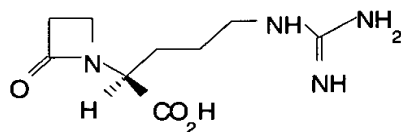
comprising the steps of:

- a) producing an isolated polypeptide, having β -lactam synthetase activity, from a polynucleotide encoding said polypeptide, wherein the polypeptide comprises a sequence having at least 95% identity to the amino acid sequence of SEQ ID NO:2 over the entire length of SEQ ID NO:2; and
b) by contacting a compound of formula (II)



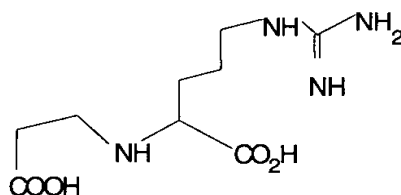
where the variables are as defined in formula (I)

with ~~an isolated~~ said isolated polypeptide ~~having at least 95% identity to the amino acid sequence of SEQ ID NO:2 over the entire length of SEQ ID NO:2, and having β -lactam synthetase activity.~~



(IV)

a) producing an isolated polypeptide, having β -lactam synthetase activity, from a polynucleotide encoding said polypeptide, wherein the polypeptide comprises a sequence having at least 95% identity to the amino acid sequence of SEQ ID NO:2 over the entire length of SEQ ID NO:2; and
b) by contacting N²-(2-carboxyethyl)-(S)-arginine; formula (III)



(III)

17. (Previously presented) A process according to claim 15 or 16 wherein the polypeptide comprises the amino acid sequence of SEQ ID NO:2.

18. (Previously presented) A process according to claim 15 or 16 wherein the polypeptide has the amino acid sequence of SEQ ID NO:2.

19. (Currently Amended) A process according to claim 15 or 16 wherein the polypeptide having β -lactam synthetase activity is native to a *Streptomyces* species.

20. (Previously presented) A process according to claim 19 wherein the *Streptomyces* species is *Streptomyces clavuligerus*.

21. (Withdrawn) A recombinant vector comprising a polynucleotide capable of producing the polypeptide defined in claim 15 when said vector is present in a compatible host.
22. (Withdrawn) A recombinant vector according to claim 21 comprising a polynucleotide selected from the group:
- a) a polynucleotide encoding a polypeptide having at least 95% identity with the amino acid sequence of SEQ ID NO:2 over the entire length of SEQ ID NO:2;
 - b) a polynucleotide comprising the polynucleotide sequence of SEQ ID NO:1; or
 - c) a polynucleotide having the polynucleotide sequence of SEQ ID NO:1.
23. (Canceled)
24. (Withdrawn) A host microorganism containing a recombinant vector of claims 21 or 22.
25. (Withdrawn) A host microorganism according to claim 24 which is selected from *Streptomyces*, or *E.coli*.
26. (Withdrawn) A process for preparing an enzyme having β -lactam synthetase activity which comprises the steps:
- a) culturing *Streptomyces clavuligerus*,
 - b) harvesting and lysing the mycelium, and
 - c) isolating a polypeptide having at least 95% identity with the amino acid sequence of SEQ ID NO:2 over the entire length of SEQ ID NO:2, and having β -lactam synthetase activity.
27. (Withdrawn) A process for preparing an enzyme having β -lactam synthetase activity which comprises the steps:
- a) culturing a host microorganism transformed with a recombinant vector according to claims 21 or 22, and
 - b) isolating the polypeptide having at least 95% identity with the amino acid sequence of SEQ ID NO:2 over the entire length of SEQ ID NO:2, and having β -lactam synthetase activity.
28. (Withdrawn) A process for preparing clavulanic acid comprising preparing a compound of formula (IV) in accordance with claim 16 or any claim dependent thereon, and then converting the compound of formula (IV) to clavulanic acid by treatment with an enzyme system derived from *Streptomyces clavuligerus*.

29. (New) The process of claim 15, wherein said polynucleotide comprises SEQ ID NO:1.
30. (New) The process of claim 16, wherein said polynucleotide comprises SEQ ID NO:1.